

## 27613 - Microeconomics II

### Información del Plan Docente

Academic Year	2017/18
Faculty / School	109 - Facultad de Economía y Empresa
Degree	450 - Degree in Marketing and Market Research
ECTS	6.0
Year	2
Semester	First semester
Subject Type	Compulsory
Module	---

### **1.General information**

#### **1.1.Introduction**

#### **1.2.Recommendations to take this course**

#### **1.3.Context and importance of this course in the degree**

#### **1.4.Activities and key dates**

### **2.Learning goals**

#### **2.1.Learning goals**

#### **2.2.Importance of learning goals**

### **3.Aims of the course and competences**

#### **3.1.Aims of the course**

#### **3.2.Competences**

### **4.Assessment (1st and 2nd call)**

#### **4.1.Assessment tasks (description of tasks, marking system and assessment criteria)**

### **5.Methodology, learning tasks, syllabus and resources**

#### **5.1.Methodological overview**

Participative lectures. The professor will explain the basic course content. The student must supplement the explanations with the recommended reading.

Practical classes. Students will solve practice exercises, always under the supervision of the professor. This will be done

in smaller groups to facilitate the participation of each student.

Platform Moodle 2

### 5.2. Learning tasks

1. **Theory classes:** Credits 1.2. Methodology: Class attendance and participative problem-solving.
2. **Practical classes:** Credits 1.2. Methodology: Class attendance, problem-solving and case studies.
3. **Tutorials and seminars:** Credits 0.3. Methodology: Tutorial and complementary activities
4. **Personal work:** Credits 3.3. Methodology: Solution of exercises. Use of ITCs. Preparation of assignments and exams.

### 5.3. Syllabus

#### Lesson 1: Introduction to market theory

- 1.1. Objectives of market theory
- 1.2. Theory of the firm: Basic concepts
- 1.3. Profit maximization and market structure

#### Part I: The analysis of competitive markets

#### Lesson 2: Equilibrium in competitive markets

- 2.1. Characteristics of competitive markets
- 2.2. Marginal revenue and marginal cost. The firm's demand curve
- 2.3. Profit maximization and short-run supply curve
- 2.4. Short-run competitive market equilibrium
- 2.5. Long-run supply curve
- 2.6. Long-run market equilibrium

**Lesson 3: The analysis of competitive markets**

- 3.1. Consumer and producer surplus
- 3.2. Welfare: efficiency in a competitive market
- 3.3. Government intervention by means of price controls and production quotas
- 3.4. Government intervention by means of taxes and subsidies
- 3.5 International markets and tariffs
- 3.6 General equilibrium: welfare theorems

Part II: Market Power

**Lesson 4: Monopoly theory**

- 4.1. Introduction: market power
- 4.2. Equilibrium and market power in monopolies
- 4.3. Welfare: the social costs of market power
- 4.4. Government intervention by means of taxes, subsidies and regulation
- 4.5. Pricing with market power

**Lesson 5: Oligopoly theory**

- 5.1. Oligopoly and strategic interaction
- 5.2. Introduction to Game Theory: Nash equilibrium
- 5.3. Simultaneous competition in quantities: Cournot model
- 5.4. Simultaneous competition in prices: Bertrand paradox
- 5.5. Solutions to Bertrand paradox: product differentiation and collusion
- 5.6. Sequential competition: Stackelberg model

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5.7. Welfare in oligopolies

### **Lesson 6. Market failures**

6.1. Markets with asymmetric information

6.2. Externalities and its correction

6.3. Common property resources

6.4. Public goods

### **5.4.Course planning and calendar**

### **5.5.Bibliography and recommended resources**